

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**SB 2809 – HB 3259**

May 18, 2010

**SUMMARY OF AMENDMENT (018708):** Deletes the language of the original bill. Requires secured parties to withhold the amount of taxes due when property is repossessed and sold by the secured party. Requires local governments to notify secured parties of their responsibility to pay past-due taxes. Limits a secured party's liability to four tax years. Defines "writing" as one or more recorded communications. Requires a county official or assessor to respond to a secured party's request for information within 15 days via certified mail. Authorizes the Comptroller of the Treasury to provide forms to secured parties to request information from county officials.

**FISCAL IMPACT OF ORIGINAL BILL:**

Decrease Local Revenue – Exceeds \$500,000

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase Local Revenue – Net Impact – Not Significant**  
**Increase Local Expenditures – Not Significant**

Assumptions applied to amendment:

- Current law requires secured parties to withhold an amount from the sale of property to pay taxes due.
- Notifying secured parties of their responsibility to pay taxes due on the sale of repossessed property will not significantly increase collections, resulting in a not significant net impact to local government revenue.
- Requiring local governments to notify secured parties of delinquent taxes or to respond to requests of information can be accommodated within existing resources and will not result in an increase to local government expenditures. Notifications to secured parties will be made in lieu of tax collection notices to property owners.
- According to the Comptroller, limiting a secured party's tax liability to four years will not significantly affect tax collections.

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- According to the Comptroller, providing forms to secured parties for the purposes of requesting information from local governments can be accommodated within existing resources and will not result in a significant increase to state expenditures.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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